

Registered number: 02911600

# **ALLIED KUNICK ENTERTAINMENTS LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the 52 weeks ended 2 January 2022**



## **ALLIED KUNICK ENTERTAINMENTS LIMITED**

### **COMPANY INFORMATION**

<b>Director</b>	M Lee (appointed 15 October 2021)
<b>Company secretary</b>	Mrs L A Keswick
<b>Registered number</b>	02911600
<b>Registered office</b>	Westgate Brewery Bury St Edmunds Suffolk IP33 1QT
<b>Auditor</b>	Deloitte LLP Statutory Auditor 1 New Street Square London EC4A 3HQ

# **ALLIED KUNICK ENTERTAINMENTS LIMITED**

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## **ALLIED KUNICK ENTERTAINMENTS LIMITED**

### **DIRECTORS' REPORT For the 52 weeks ended 2 January 2022**

The directors present their report and the financial statements for the 52 weeks ended 2 January 2022.

#### **Principal activity**

In the prior period the lease of the remaining unlicensed property expired and as a result of this the company ceased to trade. The company did not trade during the period ended 2 January 2022. The director believes that the situation will not change in the foreseeable future.

Following the acquisition of the Greene King Limited group by CK Noble (UK) Limited on 30 October 2019, the financial year end of the company was changed to 31 December so as to be coterminous with the year end of the ultimate parent undertaking, CK Asset Holdings Limited. Accordingly, the prior financial statements were prepared for 36 weeks from 27 April 2020 to 3 January 2021 and as a result, the comparative figures stated in the statement of comprehensive income, statement of changes in equity and the related notes are not comparable.

#### **Going concern**

The company ceased to trade in the prior year and in the current year the company did not trade, therefore the director has prepared the financial statements on a basis other than that of a going concern. Greene King Limited has agreed to provide continuing financial support to enable the company to meet its obligations as and when they fall due for a minimum period of at least 12 months from the date of approval of these financial statements. No adjustments to the carrying amount or classification of assets and liabilities were required in the prior or current period as a result of the basis of preparation of the accounts.

The directors of Greene King Limited have assessed the continued impact of the COVID-19 pandemic as part of their going concern assessment of the Greene King Limited group. In doing so, the Greene King Limited directors have modelled a reasonable worst-case scenario of a further sustained Omicron-style COVID-19 variant impacting the UK through the winter of 2022. The directors have also modelled what they believe to be a remote scenario, a two-month lockdown without government support during the peak months. Under both scenarios the group continues to have access to the adequate funding to support the business through a period of at least 12 months from the date of the approval of the financial statements, including the repayment of the Spirit debenture debt of c.£100m should this debt be accelerated while the platform remains in technical default. However, in the absence of any government support this reduction in trade would likely result in further breaches of both the two-quarter and four-quarter lookback FCF DSCR covenant in the Greene King securitisation without mitigating actions. In either scenario the directors could elect to prevent the breach by providing financial support to the Greene King securitisation through lower operating cost recharges from other group companies, or alternatively seek a further waiver from bondholders. The directors of Greene King Limited have a reasonable expectation that the group has adequate resources to continue in operational existence for at least the next 12 months from the date of the approval of the financial statements.

The director of the company has made appropriate enquiries of the directors of Greene King Limited to confirm that they are satisfied that the financial support will be available and accordingly do not include any adjustments to the carrying amount or classification of assets and liabilities as a result of the change in basis of preparation.

#### **Directors**

The directors who served during the 52 weeks and to the date of this report were:

R Smothers (resigned 15 October 2021)  
M Lee (appointed 15 October 2021)

The directors did not hold any interest in the share capital of the company during the period.

#### **Directors' and officers' indemnity insurance**

Greene King Limited group ("the group") has taken out insurance to indemnify the directors of the company against third party proceedings whilst serving on the board of the company and of any subsidiary. This cover indemnifies all employees of the group who serve on the boards of all subsidiaries. These indemnity policies subsisted throughout the year and remain in place at the date of this report.

**ALLIED KUNICK ENTERTAINMENTS LIMITED**

**DIRECTORS' REPORT (CONTINUED)**  
**For the 52 weeks ended 2 January 2022**

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Post balance sheet events**


There are no post balance sheet events requiring disclosure in the financial statements.

**Auditor**

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**M Lee**  
Director  
Date: 29 June 2022

## **ALLIED KUNICK ENTERTAINMENTS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

**For the 52 weeks ended 2 January 2022**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards including FRS 101 'Reduced Disclosure Framework' have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIED KUNICK ENTERTAINMENTS LIMITED**

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Opinion**

In our opinion, the financial statements of Allied Kunick Entertainments Limited (the 'company'):

- give a true and fair view of the company's affairs as at 2 January 2022 and of its loss for the 52 weeks then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- and the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of matter - financial statements prepared on a basis other than going concern**

We draw attention to Note 2.4 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in this respect of this matter.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIED KUNICK ENTERTAINMENTS LIMITED**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, and UK tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIED KUNICK ENTERTAINMENTS LIMITED**

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, and reviewing internal audit reports, and reviewing correspondence with HMRC.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemptions from preparing a strategic report and in preparing the directors' report.

We have nothing to report in respect of these matters.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Cooper (Senior statutory auditor)

for and on behalf of  
Deloitte LLP, Statutory Auditor  
Cambridge

Date: 29 June 2022

**ALLIED KUNICK ENTERTAINMENTS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

**For the 52 weeks ended 2 January 2022**

		<b>Continuing operations 52 weeks ended 2 January 2022 £000</b>	<b>Discontin'd operations 52 weeks ended 2 January 2022 £000</b>	<b>Total 52 weeks ended 2 January 2022 £000</b>	<b>Continuing operations 36 weeks ended 3 January 2021 £000</b>	<b>Discontinued operations 36 weeks ended 3 January 2021 £000</b>	<b>Total 36 weeks ended 3 January 2021 £000</b>
	<b>Note</b>						
Administrative income/(expenses)		-	27	27	-	(330)	(330)
<b>Operating profit/(loss)</b>		<b>-</b>	<b>27</b>	<b>27</b>	<b>-</b>	<b>(330)</b>	<b>(330)</b>
Interest payable and similar expenses	6	(291)	-	(291)	(281)	(1)	(282)
<b>(Loss)/profit before tax</b>		<b>(291)</b>	<b>27</b>	<b>(264)</b>	<b>(281)</b>	<b>(331)</b>	<b>(612)</b>
Taxation	7	(5)	-	(5)	(1)	-	(1)
<b>(Loss)/profit for the period</b>		<b>(296)</b>	<b>27</b>	<b>(269)</b>	<b>(282)</b>	<b>(331)</b>	<b>(613)</b>

There was no other comprehensive income for the 52 weeks ended 2 January 2022 (36 weeks ended 3 January 2021: £nil).

**ALLIED KUNICK ENTERTAINMENTS LIMITED**  
Registered number:02911600

**BALANCE SHEET**  
**As at 2 January 2022**

	Note	2 January 2022 £000	3 January 2021 £000
<b>Current assets</b>			
Debtors	8	275	278
Cash at bank	9	178	133
		<u>453</u>	<u>411</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	10	(30,305)	(29,467)
<b>Net current liabilities</b>		<u>(29,852)</u>	<u>(29,056)</u>
<b>Total assets less current liabilities</b>		<u>(29,852)</u>	<u>(29,056)</u>
Creditors: amounts falling due after more than one year	11	(3,935)	(4,462)
<b>Provisions for liabilities</b>			
Other provisions	14	(250)	(250)
<b>Net liabilities</b>		<u><u>(34,037)</u></u>	<u><u>(33,768)</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	100	100
Profit and loss account	16	(34,137)	(33,868)
<b>Equity</b>		<u><u>(34,037)</u></u>	<u><u>(33,768)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**M Lee**  
Director

Date: 29 June 2022

The notes on pages 10 to 20 form part of these financial statements.

**ALLIED KUNICK ENTERTAINMENTS LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
**For the 52 weeks ended 2 January 2022**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 27 April 2020</b>	<b>100</b>	<b>(33,255)</b>	<b>(33,155)</b>
Loss for the period	-	(613)	(613)
<b>At 4 January 2021</b>	<b>100</b>	<b>(33,868)</b>	<b>(33,768)</b>
Loss for the 52 weeks	-	(269)	(269)
<b>At 2 January 2022</b>	<b>100</b>	<b>(34,137)</b>	<b>(34,037)</b>

The notes on pages 10 to 20 form part of these financial statements.

# **ALLIED KUNICK ENTERTAINMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the 52 weeks ended 2 January 2022**

### **1. GENERAL INFORMATION**

Allied Kunick Entertainments Limited is a private company limited by shares incorporated and domiciled in England & Wales.

The company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except where indicated.

### **2. ACCOUNTING POLICIES**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

Following the acquisition of the Greene King Limited group by CK Noble (UK) Limited on 30 October 2019, the financial year end of the company was changed to 31 December so as to be coterminous with the year end of the ultimate parent undertaking, CK Asset Holdings Limited. Accordingly, the prior financial statements were prepared for 36 weeks from 27 April 2020 to 3 January 2021 and as a result, the comparative figures stated in the statement of comprehensive income, statement of changes in equity and the related notes are not comparable.

The following principal accounting policies have been applied:

## **ALLIED KUNICK ENTERTAINMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the 52 weeks ended 2 January 2022**

## **2. ACCOUNTING POLICIES (CONTINUED)**

### **2.2 Financial reporting standard 101 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of Spirit Pubs Debenture Holdings Limited as at 2 January 2022 and these financial statements may be obtained from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT.

## **ALLIED KUNICK ENTERTAINMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the 52 weeks ended 2 January 2022**

## **2. ACCOUNTING POLICIES (CONTINUED)**

### **2.3 Impact of new International Reporting Standards, amendments and interpretations**

*The following new standards, interpretations and amendments to standards are mandatory for the company for the first time for their annual reporting period commencing 4 January 2021:*

Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

The company has considered the above new standard and has concluded that it does not have a material impact on the company's financial statements.

### **2.4 Going concern**

The company ceased to trade in the prior year and in the current year the company did not trade, therefore the director has prepared the financial statements on a basis other than that of a going concern. Greene King Limited has agreed to provide continuing financial support to enable the company to meet its obligations as and when they fall due for a minimum period of at least 12 months from the date of approval of these financial statements. No adjustments to the carrying amount or classification of assets and liabilities were required in the prior or current period as a result of the basis of preparation of the accounts.

The directors of Greene King Limited have assessed the continued impact of the COVID-19 pandemic as part of their going concern assessment of the Greene King Limited group. In doing so, the Greene King Limited directors have modelled a reasonable worst-case scenario of a further sustained Omicron-style COVID-19 variant impacting the UK through the winter of 2022. The directors have also modelled what they believe to be a remote scenario, a two-month lockdown without government support during the peak months. Under both scenarios the group continues to have access to the adequate funding to support the business through a period of at least 12 months from the date of the approval of the financial statements, including the repayment of the Spirit debenture debt of c.£100m should this debt be accelerated while the platform remains in technical default. However, in the absence of any government support this reduction in trade would likely result in further breaches of both the two-quarter and four-quarter lookback FCF DSCR covenant in the Greene King securitisation without mitigating actions. In either scenario the directors could elect to prevent the breach by providing financial support to the Greene King securitisation through lower operating cost recharges from other group companies, or alternatively seek a further waiver from bondholders. The directors of Greene King Limited have a reasonable expectation that the group has adequate resources to continue in operational existence for at least the next 12 months from the date of the approval of the financial statements.

The director of the company has made appropriate enquiries of the directors of Greene King Limited to confirm that they are satisfied that the financial support will be available and accordingly do not include any adjustments to the carrying amount or classification of assets and liabilities as a result of the change in basis of preparation.

## **ALLIED KUNICK ENTERTAINMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the 52 weeks ended 2 January 2022**

## **2. ACCOUNTING POLICIES (CONTINUED)**

### **2.5 Intercompany balances**

Amounts owed by or to group undertakings are classified as short term assets or liabilities unless there is a formal loan arrangement in place that specifies repayment over a period longer than one year at the balance sheet date.

The company recognises a loss allowance for expected credit losses on amounts due from group undertakings. The methodology used to determine the amount of the expected credit loss is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset.

For those financial assets where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses are recognised. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. For those financial assets where the credit risk has increased significantly (or determined to be credit impaired), lifetime expected credit losses are recognised. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset (or for credit impaired assets, to the net carrying amount of the financial asset).

### **2.6 Cash at bank**

Cash at bank in the balance sheet comprises cash at bank and short-term deposits with an original maturity of three months or less.

### **2.7 Loans and borrowings**

All loans and borrowings are initially recognised at fair value of the consideration received, net of issue costs. After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method.

### **2.8 Interest**

Interest costs are expensed to the income statement using the effective interest method. Interest income is recognised in the income statement using the effective interest method.



## ALLIED KUNICK ENTERTAINMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 2 January 2022

## 2. ACCOUNTING POLICIES (CONTINUED)

### 2.9 Leases

For any new contracts entered into on or after 29 April 2019, the company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration'. To apply this definition, the company assesses whether the contract meets all of the following criteria:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the company
- the company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the company has the right to direct the use of the identified asset throughout the period of use. The company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the company. Each lease payment is allocated between repayment of the lease liability and finance cost. The finance cost is charged to the income statement over the lease term to produce a constant periodic rate of interest on the outstanding lease liability balance. The right-of-use asset is depreciated over the shorter of the asset's expected useful life and the lease term on a straight-line basis unless the lease is expected to transfer ownership of the underlying asset to the company in which case the asset is depreciated to the end of the useful life of the asset.

The lease liability is initially measured as the present value of future lease payments, discounted using the interest rate implicit in the lease. Where this rate is not determinable, the incremental borrowing rate is used, which is the interest rate the entity would have to pay to borrow the amount necessary to obtain an asset of similar value, in a similar economic environment with similar terms and conditions.

The right-of-use asset is initially measured at cost, comprising the initial value of the lease liability, any lease payments made (net of any incentives received from the lessor) before the commencement of the lease, any initial direct costs and any restoration costs.

For changes to existing contracts such as fair market rent reviews or other modifications, a remeasurement is recorded in both right-of-use asset and lease liability based upon the net present value of the incremental change of cashflows discounted at the IBR.

Payments in respect of leases of either short-term, low-value or based on variable rental payments continue to be charged to the income statement on a straight-line basis over the lease term.

### 2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

Provisions are discounted to present value, where the effect of the time value of money is material, using a pre-tax discount rate that reflects current market estimates of the time value of money and the risks specific to the liability. The amortisation of the discount is recognised as interest payable and similar charges.

## ALLIED KUNICK ENTERTAINMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 2 January 2022

#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.11 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

#### 3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect reported amounts of assets and liabilities, income and expense. The company bases its estimates and judgments on historical experience and other factors deemed reasonable under the circumstances, including any expectations of future events. Actual results may differ from these estimates.

There are no estimates and judgments made in the company that are considered to be significant.

#### 4. STAFF COSTS

The company has no employees (36 weeks ended 3 January 2021: none) and did not incur any staff costs during the period (36 weeks ended 3 January 2021: £nil).

The director did not receive any remuneration during the current or previous period in respect of his services provided to the company.

#### 5. AUDITOR'S REMUNERATION

The auditor's remuneration in respect of the audit of the financial statements for the period of £1,500 (36 weeks ended 3 January 2021: £1,500) has been borne by another group company.

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group financial statements of the ultimate parent company.

#### 6. INTEREST PAYABLE AND SIMILAR EXPENSES

	<b>52 weeks ended 2 January 2022 £000</b>	<b>36 weeks ended 3 January 2021 £000</b>
Interest payable to group undertakings	<b>291</b>	<b>281</b>
Interest on lease liabilities	<b>-</b>	<b>1</b>
	<b>291</b>	<b>282</b>

# ALLIED KUNICK ENTERTAINMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 2 January 2022

### 7. TAXATION

	52 weeks ended 2 January 2022 £000	36 weeks ended 3 January 2021 £000
<b>Corporation tax</b>		
Current tax on profits for the year	5	-
Adjustments in respect of previous periods	-	1
	<u>5</u>	<u>1</u>
<b>Total current tax</b>	<u>5</u>	<u>1</u>

### FACTORS AFFECTING TAXATION FOR THE PERIOD

The tax assessed for the period is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19.0% (2021: 19.0%). The differences are explained below:

	52 weeks ended 2 January 2022 £000	36 weeks ended 3 January 2021 £000
Loss on ordinary activities before tax	<u>(264)</u>	<u>(612)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2021: 19.0%)	(50)	(116)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	55	53
Adjustments to tax charge in respect of prior periods	-	1
Group relief for nil consideration	-	63
<b>TOTAL TAXATION FOR THE PERIOD</b>	<u>5</u>	<u>1</u>

### FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Under Finance Act 2021 enacted on 10 June 2021, the Corporation Tax rate for the 12 months from 3 January 2021 remains at 19%, but will increase to 25% as the planned main rate of corporation tax from 1 April 2023.

At the balance sheet date, the company has unused non-trading losses of £659,906 (2021: £659,906) which have not been recognised on the basis of uncertain future profitability.

**ALLIED KUNICK ENTERTAINMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the 52 weeks ended 2 January 2022

**8. DEBTORS: Amounts falling due within one year**

	<b>2 January 2022 £000</b>	<b>3 January 2021 £000</b>
Amounts owed by group undertakings	<b>275</b>	<b>278</b>

Amounts owed by group undertakings are unsecured, bear no interest, have no fixed date of repayment, are repayable on demand and held at amortised cost. Expected credit losses of £940 (2021: £940) have been recognised against the carrying value.

**9. CASH AT BANK**

	<b>2 January 2022 £000</b>	<b>3 January 2021 £000</b>
Cash at bank	<b>178</b>	<b>133</b>

**10. CREDITORS: Amounts falling due within one year**

	<b>2 January 2022 £000</b>	<b>3 January 2021 £000</b>
Amounts owed to group undertakings	<b>2,495</b>	<b>2,479</b>
Corporation tax payable	<b>5</b>	<b>-</b>
Other creditors	<b>60</b>	<b>60</b>
Unsecured loans owed to group undertakings (note 12)	<b>27,745</b>	<b>26,928</b>
	<b>30,305</b>	<b>29,467</b>

Amounts owed to group undertakings are unsecured, bear no interest, have no fixed date of repayment are repayable on demand and held at amortised cost.

**11. CREDITORS: Amounts falling due after more than one year**

	<b>2 January 2022 £000</b>	<b>3 January 2021 £000</b>
Unsecured loans owed to group undertakings (note 12)	<b>3,935</b>	<b>4,462</b>

# ALLIED KUNICK ENTERTAINMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 2 January 2022

### 12. UNSECURED LOAN NOTES

	2 January 2022 £000	3 January 2021 £000
<b>Unsecured loan notes maturity analysis</b>		
In less than one year	27,745	26,928
In more than one year but not more than two years	1,223	527
In more than two years but not more than five years	2,712	2,845
In more than five years	-	1,090
	<b>31,680</b>	<b>31,390</b>

### 12. UNSECURED LOAN NOTES (continued)

	2 January 2022 £000	3 January 2021 £000
Included in creditors: amounts falling due within one year	27,745	26,928
Included in creditors: amounts falling due after more than one year	3,935	4,462
	<b>31,680</b>	<b>31,390</b>

The loan stock is unsecured, interest bearing at a rate of LIBOR +1% during the period, have no fixed date of repayment and are repayable on demand. The LIBOR rate has been replaced by SONIA + CAS with effect from the first interest period commencing on or after 1 January 2022. The £3,935,000 (2021: £4,462,000) unsecured loan stock, classified as due after more than one year, is repayable at various dates between December 2023 and December 2026.

Accrued interest of £4,520,000 (2021: £4,229,000) has been recognised in respect of the loan stock.

# ALLIED KUNICK ENTERTAINMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the 52 weeks ended 2 January 2022

### 13. LEASES

#### Company as a lessee

The company had 1 lease contract which expired during the prior period.

The total cash outflow for the lease in the 52 weeks to 2 January 2022 was £nil (36 weeks ended 3 January 2021: £160,000).

The following amounts in respect of leases, where the company is a lessee, have been recognised in profit or loss:

	52 weeks ended 2 January 2022 £000	36 weeks ended 3 January 2021 £000
Depreciation of right-of-use asset	-	98
Income from sub-leasing right-of-use assets	-	(172)
COVID-19-related rent concessions	-	(40)
	<u>          </u>	<u>          </u>

The company negotiated a rent concession with its landlord on its property lease as a result of the severe impact of the COVID-19 pandemic during the prior year applying the practical expedient for COVID-19-related rent concessions.

### 14. OTHER PROVISIONS

	Dilapidation provision £000
At 4 January 2021	250
At 2 January 2022	<u>250</u>

In the prior period a charge of £250,000 had been incurred to create a dilapidation provision relating to expired leases which the company anticipates will be utilised within the next year.

### 15. CALLED UP SHARE CAPITAL

	2 January 2022 £	3 January 2021 £
<b>Allotted, called up and fully paid</b>		
51,000 (2021:51,000) "A" Ordinary shares of £1.00 each	51,000	51,000
49,000 (2021:49,000) "B" Ordinary shares of £1.00 each	49,000	49,000
	<u>100,000</u>	<u>100,000</u>

## **ALLIED KUNICK ENTERTAINMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the 52 weeks ended 2 January 2022**

#### **15. CALLED UP SHARE CAPITAL (CONTINUED)**

The "A" and "B" shares are separate classes of share but rank pari passu in all respects. Except with the separate consent or sanction of the holders of the "A" shares and the "B" shares, all shares issued shall consist of further "A" shares and "B" Shares to be offered in the first instance for subscription by the holders of the issued shares of those classes pro rata to the number of shares of the same class held by them respectively.

#### **16. RESERVES**

##### **Profit and loss account**

Profit and loss account reserve represents accumulated retained earnings.

#### **17. RELATED PARTY TRANSACTIONS**

During the period the company entered into transactions, in the ordinary course of business, with other related parties. The company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with related parties that are wholly owned subsidiaries of the CK Asset Holdings Limited group. Amounts shown as owed to and by group subsidiaries are all held with other group undertakings. There were no transactions entered into during the financial year or trading balances outstanding at the balance sheet date with other related parties.

#### **18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

At the balance sheet date, the directors consider the immediate parent undertaking and immediate controlling party of Allied Kunick Entertainments Limited to be Spirit (AKE Holdings) Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and ultimate controlling party is CK Asset Holdings Limited, a company registered in the Cayman Islands and registered in Hong Kong, with its shares listed on the Main Board of the Hong Kong Stock Exchange.

Spirit Pubs Debenture Holdings Limited is the smallest group which includes the results of the company and for which group financial statements are prepared. Copies of its group financial statements are available from Westgate Brewery, Bury St Edmunds, Suffolk, IP33 1QT.

CK Asset Holdings Limited is the largest group which includes the results of the company and for which group financial statements are prepared. Copies of its group financial statements are available from 7th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.